

FD-30400

EC

SERVICE DATE

MAR 20 1984

INTERSTATE COMMERCE COMMISSION

Decision No. 5

Finance Docket No. 30400

SANTA FE SOUTHERN PACIFIC CORPORATION-CONTROL-SOUTHERN PACIFIC  
TRANSPORTATION COMPANY; MERGER-THE ATCHISON, TOPEKA AND SANTA  
FE RAILWAY COMPANY AND SOUTHERN PACIFIC TRANSPORTATION COMPANY

Decided: March 15, 1984

In a decision entitled Supplemental Information Request, served February 28, 1984, we ordered applicants to file, by March 31, 1984, supplemental information about the benefits, competition, and costs of Santa Fe Southern Pacific Corporation's (SFSP) proposed acquisition of control of Southern Pacific Transportation Company (SPT) and the Atchison, Topeka and Santa Fe Railway Company (ATSF).

Applicants petition for clarification of this request. They object to submitting cost evidence and financial data for 1983 (and all subsequent pro forma data needed to comply with 49 C.F.R. 1180.9) using depreciation accounting, rather than the previously employed retirement-replacement-betterment (RRB) accounting. Applicants state that they had been preparing detailed cost and other studies using 1982 data and Rail Form A costing methodology based on RRB accounting, and that compliance with our instruction would cause them to

incur substantial costs in changing the basic assumptions underlying the cost studies and would delay the filing of the application by several months.

We have reconsidered our decision in the supplemental information request and conclude that it should be modified. Applicants may use 1982 as the study year for the initial application and may also use RRB accounting. Our Notice served December 22, 1983, indicated that applicants intended to use calendar year 1982 for any impact analysis or other studies, including costing and financial data submissions. Applicants were entitled to rely on our implicit acceptance of their approach. Moreover, when they began preparing their studies, the last calendar year for which information would have been available was 1982, a year for which RRB was still the appropriate accounting method.

Although we have replaced the RRB accounting system with depreciation accounting, we will allow RRB to be used in the initial application's cost and financial data. We will require that protesters' opposition evidence to the initial application use the same accounting system elected by the applicant. Use of two different accounting systems in presenting evidence relating to this portion of the application would be unworkable. In particular, it would prevent the

comparison of data pertaining to different years or presented by different parties on the same matter. However, in filing and supporting any responsive applications, protestants should use 1983 as the base year and use depreciation accounting. Rebuttals to responsive applications should also use 1983 as the base year and use depreciation accounting. This portion of the proceeding is sufficiently distinct that we need not require the use of RRB accounting, and the most recent data and depreciation accounting are preferable where no reason exists to refrain from using them.

This action will not significantly affect either the quality of the human environment or energy conservation.

It is ordered:

1. Applicants' petition is granted and the decision served February 28, 1984, is modified as indicated above.
2. Applicants shall file the information as requested above.
3. This decision shall be effective on the date it is served.

By the Commission, Chairman Taylor, Vice Chairman Andre, Commissioners Sterrett and Gradison. Commissioner Gradison did not participate.

(SEAL)

James H. Bayne  
Acting Secretary